



# Course Specifications

<b>Course Title:</b>	<b>BEHAVIORAL FINANCE</b>
<b>Course Code:</b>	<b>FIN1438</b>
<b>Program:</b>	<b>English</b>
<b>Department:</b>	<b>FINANCE &amp; BANKING</b>
<b>College:</b>	<b>College of Business Administration</b>
<b>Institution:</b>	<b>Dar Al Uloom University</b>

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## 7. Course Identification

<b>1. Credit hours:</b> 3 Hours
<b>2. Course type</b>
a. University <input type="checkbox"/> College <input type="checkbox"/> Department <input checked="" type="checkbox"/> Others <input type="checkbox"/>
b. Required <input type="checkbox"/> Elective <input checked="" type="checkbox"/>
<b>3. Level/year at which this course is offered:</b>
<b>4. Pre-requisites for this course (if any):</b> FIN1321
<b>5. Co-requisites for this course (if any):</b> NIL

## 6. Mode of Instruction (mark all that apply)

No	Mode of Instruction	Contact Hours	Percentage
1	Traditional classroom	45	100%
2	Blended		
3	E-learning		
4	Correspondence		
5	Other		

## 7. Actual Learning Hours (based on academic semester)

No	Activity	Learning Hours
<b>Contact Hours</b>		
1	Lecture	45
2	Laboratory/Studio	
3	Tutorial	
4	Others (specify)	
	<b>Total</b>	45
<b>Other Learning Hours*</b>		
1	Study	1
2	Assignments	1
3	Library	
4	Projects/Research Essays/Theses	2
5	Others (specify)	
	<b>Total</b>	4

\* The length of time that a learner takes to complete learning activities that lead to achievement of course learning outcomes, such as study time, homework assignments, projects, preparing presentations, library times

## B. Course Objectives and Learning Outcomes

### 1. Course Description

Behavioral finance is an exciting new and fast-growing area in finance, which takes as its premise that investment decision-making and investor behavior are not necessarily driven by 'rational' considerations but by aspects of personal and market psychology. Topics include descriptive theories on behavioral science foundation concepts, investor behavior and its effect on market outcomes, impact of principles of behavior on corporate financing decision and product offering of the financial services sector. The course will also explore the impact of moral values and ethics, or the lack thereof, on managerial decision-making and the impact on corporate culture, company outcomes and the behavior of individual investors, fund managers and corporate managers.

### 2. Course Main Objective

The main objective of the course is to provide students with basic knowledge and theories in behavioral finance, research tools and methodologies of behavioral finance on individual, corporate and financial market level. Research works and recent developments in the area of behavioral finance will be analyzed.

### 3. Course Learning Outcomes

CLOs		Aligned PLOs
<b>1</b>	<b>Knowledge:</b>	
1.1	Discuss the effect of cognitive biases, predictably and errors of judgment on financial decisions.	K1
1.2	Describe the experimental methods in cognitive sciences.	K4
<b>2</b>	<b>Skills:</b>	
2.1	Appraise the behavioral influences involving individual's investment decisions and finance professionals	S1
2.2	Appraise and recommend experimental designs to test behavioral hypotheses.	S2
2.3	Examine the important developments in the area of behavioral finance and the associated practical insights they provide.	S2
<b>3</b>	<b>Competence:</b>	
3.1	Illustrate team skills to work in groups for assigned tasks.	C1
3.2	Show self-management ability, independent decision-making skills and adopt ethical practices in completing the assigned tasks.	C2
3.3	Demonstrate numerical excellence in solving problems and in use of financial data sources and applications.	C4
3.4	Illustrate information technology skills in communication and in generating investors' investment behavior analysis reports.	C3, C5

### C. Course Content

No	List of Topics	Contact Hours
1	Conventional finance, prospect theory and market efficiency	6
2	Behavioral science foundation	6
3	Investor behavior	12
4	Market outcomes	9

5	Corporate finance	6
6	Retirement, pensions, education, debasement and client management	6
<b>Total</b>		<b>45</b>

## D. Teaching and Assessment

### 1. Alignment of Course Learning Outcomes with Teaching Strategies and Assessment Methods

Code	Course Learning Outcomes	Teaching Strategies	Assessment Methods
<b>1.0</b>	<b>Knowledge</b>		
1.1	Discuss the effect of cognitive biases, predictably and errors of judgment on financial decisions	<ul style="list-style-type: none"> <li>DIRECT</li> </ul>	<ul style="list-style-type: none"> <li>Written Exams</li> <li>Written Quizzes</li> <li>Project</li> </ul>
1.2	Describe the experimental methods in cognitive sciences	<ul style="list-style-type: none"> <li>DIRECT</li> </ul>	<ul style="list-style-type: none"> <li>Written Exams</li> <li>Written Quizzes</li> <li>Project</li> </ul>
<b>2.0</b>			
2.1	Appraise the behavioral influences involving individual's investment decisions and finance professionals	<ul style="list-style-type: none"> <li>DIRECT</li> <li>INDIRECT</li> </ul>	<ul style="list-style-type: none"> <li>Written Exams</li> <li>Written Quizzes</li> <li>Project</li> <li>Case study</li> </ul>
2.2	Examine the important developments in the area of behavioral finance and the associated practical insights they provide.	<ul style="list-style-type: none"> <li>DIRECT</li> <li>INDIRECT</li> </ul>	<ul style="list-style-type: none"> <li>Written Exams</li> <li>Written Quizzes</li> <li>Project</li> <li>Case study</li> </ul>
2.3	Appraise and recommend experimental designs used to test behavioral hypotheses.	<ul style="list-style-type: none"> <li>DIRECT</li> <li>INDIRECT</li> </ul>	<ul style="list-style-type: none"> <li>Written Exams</li> <li>Written Quizzes</li> <li>Project</li> <li>Case study</li> </ul>
<b>3.0</b>	<b>Competence</b>		
3.1	Illustrate team skills to work in groups for assignments and Project.	<ul style="list-style-type: none"> <li>INTERACTIVE</li> </ul>	<ul style="list-style-type: none"> <li>Project</li> <li>Case study</li> </ul>
3.2	Show self-management skills and adopt ethical practices in completing the assessments	<ul style="list-style-type: none"> <li>INTERACTIVE</li> </ul>	<ul style="list-style-type: none"> <li>Project</li> <li>Case study</li> </ul>
3.3	Demonstrate numerical excellence in solving problems and in use of financial data sources	<ul style="list-style-type: none"> <li>INTERACTIVE</li> </ul>	<ul style="list-style-type: none"> <li>Project</li> <li>Case study</li> </ul>
3.4	Illustrate information technology skills in communication and in using financial software	<ul style="list-style-type: none"> <li>INTERACTIVE</li> </ul>	<ul style="list-style-type: none"> <li>Project</li> <li>Case study</li> </ul>

### 2. Assessment Tasks for Students

#	Assessment task*	Week Due	Percentage of Total Assessment Score
1	Quiz		10%
2	Case study/Project		20%
3	Mid term		30%
4	Final Exam		40%

\*Assessment task (i.e., written test, oral test, oral presentation, group project, essay, etc.)

## E. Student Academic Counseling and Support

**Arrangements for availability of faculty and teaching staff for individual student consultations and academic advice:**

1. Eight Office hours weekly can be booked through the students' SIS account.
2. Online discussion through the LMS forums and instant messaging.
3. Instructor email available in the course syllabus.
4. Occasional mobile calls or SMS for urgent messages.

## F. Learning Resources and Facilities

### 1. Learning Resources

<b>Required Textbooks</b>	<ul style="list-style-type: none"> <li>• Ackert, L. and Deaves, R. (2010), "<i>Behavioral Finance: Psychology, Decision-Making, and Markets</i>" (1<sup>st</sup> Edition), Cengage Publishing.</li> </ul>
<b>Essential References Materials</b>	<ul style="list-style-type: none"> <li>• Rolf Dobelli, Harper (2014). "<i>The Art of Thinking Clearly</i>" (Latest edition.). John Wiley Publications.</li> <li>• Michael M. Pompian, (2012) , "Behavioral Finance and Investor Types: Managing Behavior to Make Better Investment Decisions". (Wiley Finance)</li> <li>• Emerald   Review of Behavioral Finance information</li> <li>• Journal of Behavioral Finance - Taylor &amp; Francis</li> </ul>
<b>Electronic Materials</b>	<ul style="list-style-type: none"> <li>• Study materials are available through online resources available from the publisher</li> <li>• OPEN UNIVERSITY <a href="http://www.open.edu/openlearn/">www.open.edu/openlearn/</a></li> <li>• MIT COURSE WARE <a href="https://ocw.mit.edu/courses/sloan-school-of-management/">https://ocw.mit.edu/courses/sloan-school-of-management/</a></li> </ul>
<b>Other Learning Materials</b>	<ul style="list-style-type: none"> <li>• MS office tools</li> </ul>

### 2. Facilities Required

Item	Resources
<b>Accommodation</b> (Classrooms, laboratories, demonstration rooms/labs, etc.)	Classroom.
<b>Technology Resources</b> (AV, data show, Smart Board, software, etc.)	Data show + smart boards.
<b>Other Resources</b> (Specify, e.g. if specific laboratory equipment is required, list requirements or attach a list)	Internet access point.

## G. Course Quality Evaluation

Evaluation Areas/Issues	Evaluators	Evaluation Methods
End of semester Course Evaluation.	<ul style="list-style-type: none"><li>• Students</li></ul>	<ul style="list-style-type: none"><li>• Indirect</li></ul>
Effectiveness of teaching and assessment.	<ul style="list-style-type: none"><li>• Peer reviewer</li></ul>	<ul style="list-style-type: none"><li>• Indirect</li></ul>
Course learning outcomes assessment.	<ul style="list-style-type: none"><li>• Faculty members</li></ul>	<ul style="list-style-type: none"><li>• Direct</li></ul>
Quality of learning resources	<ul style="list-style-type: none"><li>• Students</li></ul>	<ul style="list-style-type: none"><li>• Indirect</li></ul>

**Evaluation areas** (e.g., Effectiveness of teaching and assessment, Extent of achievement of course learning outcomes, Quality of learning resources, etc.)

**Evaluators** (Students, Faculty, Program Leaders, Peer Reviewer, Others (specify))

**Assessment Methods** (Direct, Indirect)

## H. Specification Approval Data

Council / Committee	
Reference No.	
Date	